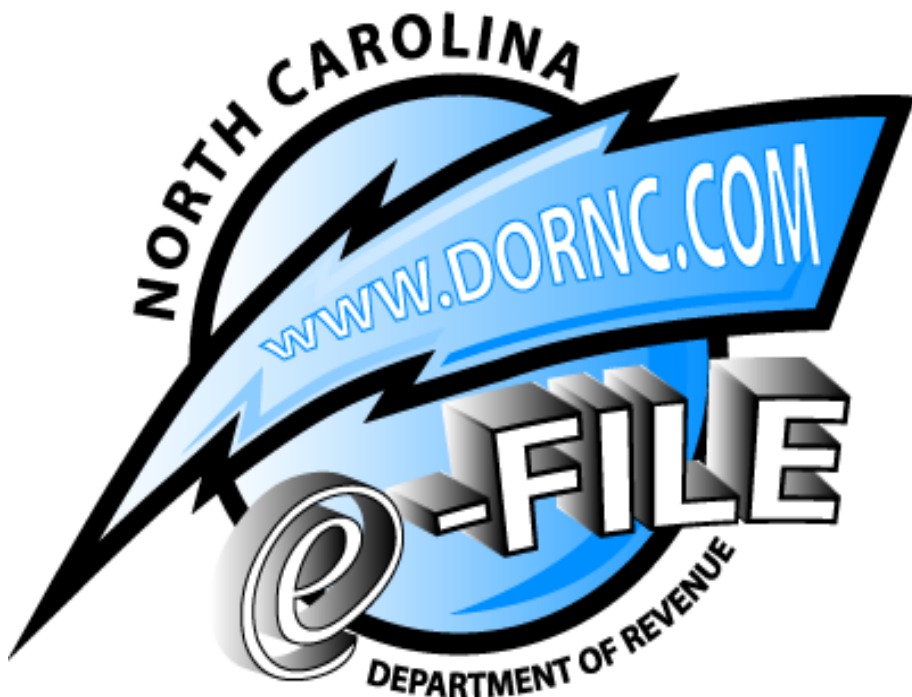


# [2014]

**ERO MANUAL FOR ELECTRONIC FILERS AND  
TRANSMITTERS OF NORTH CAROLINA INDIVIDUAL  
INCOME TAX RETURNS/PAYMENTS FOR  
MODERNIZED E-FILE  
(MeF)**



NC Department of Revenue

501 N. Wilmington Street

Raleigh, NC 27604

**Tax Year 2014**

---

# TABLE OF CONTENTS

---

1) Contact Personnel .....	3
2) Electronic Filing Calendar .....	4
3) Publications .....	5
4) Introduction .....	6

---

## Part I – Software Developers & Transmitters

---

5) Software Developers, Transmitters & EROs Defined.....	8
6) Responsibilities of Software Developers, Intermediate Service Providers, Transmitters & EROs .....	9
i. Acknowledgements	
7) NCDOR Testing Process.....	12
i. Assurance Testing System Process	
ii. Software Approval Process	
8) NCDOR MeF Schemas .....	17
9) NCDOR MeF Business Rules.....	18
10) Helpful Reminders.....	26

---

## Part II – Tax Preparers, Practitioners & CPAs

---

11) Acceptance & Participation in the MeF Program .....	28
12) Acknowledged & Rejected Returns in MeF .....	29
13) What's New for Tax Year 2014?.....	30
i. North Carolina Tax Law Changes	
14) Inclusions & Exclusions to the MeF System .....	32
15) Bank Transactions .....	33
16) Refunds.....	35
i. Direct Deposit	
ii. Refund Inquiry	
iii. Refund Delays	
17) Balance Due Returns .....	38
18) Tax Fraud .....	41

---

## APPENDIX

---

NC Tax Rate  
North Carolina County Codes  
Holiday Schedule 2014/2015

# Chapter 1

## **CONTACT PERSONNEL**

### **E-File and Development Unit**

Judith Kapp  
Josephine Prince  
Vickie Grant

We encourage you to use the following email for a prompt response from the E-File and Development Unit:

Email Address: [NCTaxEfile@dornc.com](mailto:NCTaxEfile@dornc.com)  
Phone: (919) 814-1500  
Fax: (919) 715-6158

### **Management Contact Personnel**

Cindy Mallard – Director  
Email Address: [Cindy.Mallard@dornc.com](mailto:Cindy.Mallard@dornc.com)

Lei Satterfield – Assistant Director  
Email Address: [Lei.Satterfield@dornc.com](mailto:Lei.Satterfield@dornc.com)

Sharon Tanner – Group Manager  
Email Address: [Sharon.Tanner@dornc.com](mailto:Sharon.Tanner@dornc.com)

Felecia Coley – Manager  
Email Address: [Felecia.Coley@dornc.com](mailto:Felecia.Coley@dornc.com)

Janie Wright – Team Leader  
Email Address: [Janie.Wright@dornc.com](mailto:Janie.Wright@dornc.com)

### **Mailing Address:**

North Carolina Department of Revenue  
E-File and Development Unit  
P. O. Box 25000  
Raleigh, NC 27640

### **Web Address:**

[www.dornc.com](http://www.dornc.com)

***Please contact the e-File Development Unit for questions, comments or concerns regarding tax software guidelines, procedures, MeF schemas and business rules.***

## Chapter 2

### **NORTH CAROLINA ELECTRONIC FILING CALENDAR**

For Tax Year January 1, 2014 to December 31, 2014

Begin Federal ATS Testing .....	November 03, 2014
Begin State ATS Testing.....	November 10, 2014*
Last Date to Submit Initial Test Transmission .....	December 21, 2014
End Federal/State ATS Testing.....	No cut-off date*
Begin Transmitting Returns to IRS/NCDOR .....	TBD
NCDOR Begins Processing Federal/State Returns .....	TBD
Last Date for Timely Filed Returns .....	April 15, 2015
Last Date for Retransmission of Rejected Timely Filed Returns .....	April 22, 2015
Last Date for Extended Filed Returns .....	October 15, 2015
Last Date for Retransmission of IRS Rejected Late Filed Returns .....	October 21, 2015

**\* Estimated Date That Is Subject To Change at Any Time**



## Chapter 3

### **PUBLICATIONS**

The following publications describe the process of Electronic Filing and Federal/State Electronic Filing:

#### **INTERNAL REVENUE SERVICE PUBLICATIONS**

[\*\*Publication 1345\*\*](#) – Handbook for Authorized IRS e-File Providers of Individual Income Tax Returns

[\*\*Publication 3112\*\*](#) – IRS e-File Application and Participation

[\*\*Publication 4164\*\*](#) – MeF Guide for Software Developers and Transmitters

#### **NORTH CAROLINA DEPARTMENT OF REVENUE PUBLICATIONS**

[\*\*ERO Handbook for Electronic Filers and Transmitters of North Carolina Individual Income Tax Returns for Modernized e-File \(MeF\)\*\*](#) (Tax Year 2014)

[\*\*North Carolina Test Package\*\*](#) (Tax Year 2014)

# Chapter 4

## **INTRODUCTION**

The North Carolina Department of Revenue (NCDOR) is preparing for the 21st consecutive year of accepting tax returns through the Federal/State Electronic Filing Program. The Federal/State Modernized e-File (MeF) program is a cooperative effort between the Internal Revenue Service (IRS) and participating state revenue departments. MeF is an integrated, web-based system which allows the electronic submission of federal and/or state tax return data to the IRS in real-time using the widely accepted Extensible Markup Language (XML) format. MeF uses the web-services method of transmitting returns via the Simple Object Access Protocol (SOAP) with attachments messaging.

North Carolina will allow processing of Individual Income tax returns for the current tax year (2014) and prior tax years (2012 - 2013) via the MeF system. For TY 2013, Estimated Income tax payments, Individual Income tax payments and Extensions with and without payments will be accepted also. Authorized e-File providers, also known as Electronic Return Originators (EROs) can submit returns to the IRS MeF system for federal and state return processing. State returns that are linked to an accepted Federal return are known as “Linked” returns. State returns that are not linked to a previously accepted Federal return are known as “Unlinked” returns.

The purpose of this handbook is to ensure that the IRS and NCDOR rules, regulations and requirements to process MeF returns are clearly defined. We encourage all software developers, transmitters and EROs to become very familiar with both IRS and NCDOR publications that pertain to MeF. These publications are referenced in [Chapter 3](#) (Publications), so please use these documents to assist with properly preparing North Carolina tax data for electronic filing via the MeF platform.

NCDOR is confident that our e-File program will continue to be very successful. We also recognize that our success is dependent on the continued partnerships, open communication and dedicated efforts of each participating software developer, transmitter and ERO. Therefore, if you have any questions or concerns, please contact the NCDOR personnel listed in [Chapter 1](#). As always, we welcome any comments and/or suggestions so that our partnerships in the e-File program can continue to be a great success with you the developers, EROs and to the taxpayers of North Carolina.

PART I

SOFTWARE  
DEVELOPERS,  
TRANSMITTERS,  
AND  
EROs

## Chapter 5

### **SOFTWARE DEVELOPERS, TRANSMITTERS AND EROs** **DEFINED**

An authorized e-File provider can be included in one or more of the categories defined below:

- Software Developer – A firm, an organization, or an individual who designs software for the purpose of formatting returns according to electronic return specifications of the IRS and the NCDOR and/or transmitting electronic tax returns directly to the IRS.
- Intermediate Service Provider – A firm, an organization, or an individual who receives tax information from an ERO (or from a taxpayer who files electronically using a personal computer, modem, and commercial tax preparation software), processes the tax return information, and either forwards the information to a transmitter or sends the information back to the ERO or taxpayer in the case of online filing.
- Transmitter – A firm, an organization, or an individual who transmits electronic tax returns directly to the IRS.
- Electronic Return Originator (ERO) – A firm, an organization, or an individual who originates the electronic submission of an income tax return to the IRS and may originate the electronic submission of income tax returns that either they have prepared or that they have collected from taxpayers.

A firm, an organization, or an individual may choose to perform one or all of the above noted functions associated with e-File. Therefore, you must abide by the terms set forth in this handbook and maintain a high degree of integrity, compliance, and accuracy in order to participate in the Federal/State Modernized e-File program.



## Chapter 6

### **RESPONSIBILITIES OF SOFTWARE DEVELOPERS, TRANSMITTERS AND EROs**

#### **Software Developers**

Electronic filers that function as a software developer must:

- Follow the requirements that are provided in this manual.
- Follow the schema and business rule specifications when programming your software.
- Notify NCDOR, customers and clients within 10 business days when an issue has been discovered with the software.
- Quickly correct software errors that may prevent electronic returns from being filed timely.
- Notify NCDOR, customers and clients when the error has been corrected and provide NCDOR with satisfactory evidence that the error has been corrected.

**\* Errors made by NCDOR and software developers will be placed on the Department's website for public viewing.**

#### **Transmitters**

Transmitters who provide transmission services to other electronic filers must:

- Only accept electronic returns for transmission to NCDOR from an accepted electronic filer.
- Provide acknowledgment files to each client for their transmitted returns within one business day after receipt of the acknowledgment from NCDOR.
- Include the EROs EFIN on each return that the transmitter accepts from an ERO.
- Use their EFIN on returns in which they performed duties of an ERO.
- Notify NCDOR if the transmitter ceases business operations.

Electronic filers functioning as transmitters must:

- Transmit all electronic returns within 3 calendar days of receipt and retrieve the acknowledgment file within 2 business days of transmission.
- Provide acknowledgment files to the ERO or Intermediate within 2 business days of retrieval from NCDOR.
- Ensure the security and confidentiality of all transmitted data.
- Ensure against the unauthorized use of its EFIN or ETIN.
- Match the state acknowledgment files to the original transmission files and contact the E-File Development Unit if the state acknowledgment has not been received within 3

calendar days of transmission.

- Retain a state acknowledgment file received until the end of the calendar year in which the electronic return was filed.

## **EROs**

Electronic filers that function as an ERO must:

- Obtain (2) forms of identification from taxpayers to discourage abuse in the e-File program.
  - One form of ID should be a picture id that reflects the taxpayer's name and current address if available.
  - The second form of ID should reflect the same name and the same social security number the taxpayer is using to file the return.
- Obtain the employer issued state copy of the wage and tax statement.
  - Returns may be prepared using documentation of income and federal tax withholding (i.e., pay stub, leave & earnings statement). However, the return must not be electronically filed prior to the EROs receipt of the related W-2, W-2G or 1099R form. Also, substitute wage and tax statements and copies of statements created on an EROs personal computer **are not acceptable** income statements. If the taxpayer has not received a correct Form W-2, W-2G, or 1099-R by February 15, 2015, a [Federal Form 4852](#) or other documentation may be needed to complete the federal and state returns.
- Use approved software for the North Carolina electronic filing program.
- Give taxpayers copies of all forms filed including attachments.

A taxpayer does not have to submit any supporting documentation for an e-filed return for the following:

- Bailey Settlement deduction
- Other deductions from federal taxable income
- Other additions to federal taxable income

The department will notify the taxpayer if any supporting documentation is needed.

Taxpayers are **required** to submit the following forms for an e-filed return:

- Form NC K-1 if the return indicates tax payments from a partnership or S corporation.
- Copy of the other state(s) return if claiming the credit for income tax paid to another state.
- Tax credit approval letter from NC Department of Revenue if claiming the credit for Qualified Business Investments.

The form(s) may be attached to the MeF return as a PDF attachment.

## **Acknowledgments**

NCDOR will generate an acknowledgement from the MeF system for each submission that is received from EROs and transmitters. The acknowledgements will indicate if the return was accepted or rejected. A federal acknowledgement is separate from a NCDOR acknowledgement. The receipt of a federal acknowledgement does not signify that NCDOR received your state submission. Only a NCDOR acknowledgement guarantees that the North Carolina submission was received.

Also, the business rules or schema validation error codes should be displayed on the acknowledgment provided to the taxpayer and/or tax preparer. The acknowledgment **should not** state, "Contact NCDOR for business rule or schema validation error information."

# Chapter 7

## **NCDOR TESTING PROCESS**

**Important:** The information and line numbers on the Department's tax forms and instructions as well as references to line numbers on Federal income tax forms are based on the most current information available. Please be advised this information is subject to change based on possible federal and/or state tax provision changes.

### **Assurance Testing System (ATS) Process**

ATS testing is a two-step process for approval. First, the software developer must test their software designed for electronic filing by testing all North Carolina Individual Income Tax Forms, including the D-400, D-400 Schedule S, and D-400TC. All software developers and transmitters are required to test their transmission software with North Carolina data on an annual basis. The testing phase is a critical component for the e-File program and requires each of the software developers and transmitters to adhere to North Carolina tax laws, Schema, and Business Rule validations. Therefore, testing ensures prior to live processing that:

- The XML submission documents are formatted correctly
- Business rule validations are coded correctly
- Required fields are present
- Returns have no math errors
- Returns post to the NCDOR tax system

Prior to testing, each software developer **must** submit a “[Response Form](#)” to the E-File & Development Unit for each software product that **must** be tested. **It is very important that you list all of your software limitations on the “Response Form” prior to the start of software developer testing.**

Each software product must have a different software developer code. For example, if you have both Tax Preparation and Online software products, you can differentiate between the products by using XYZ for the Tax Preparation product and XYZ OL for the online product. Therefore, each transmission of test data must contain valid software developer identification. Any records received by NCDOR that do not contain valid identification will **not** be processed.

Also, if a developer is seeking approval for a software product that runs on different operating systems (i.e., Windows, Macintosh) or that has alternative user interfaces (i.e., Desktop, Web, Mobile, Custom Branding) the developer must test each version of the product separately with NCDOR. Software Developers and Transmitters participating in the program will be provided with test data and instructions to perform testing of North Carolina's Individual Income Tax Forms D-400, D-400 Schedule S, and D-400TC for tax year 2014.

The range of test social security numbers assigned by the IRS to North Carolina is 400-00-4900

to 400-00-4999. The IRS will only accept these social security numbers during testing. If these numbers are used during live processing, the returns will be rejected. Under the concurrent testing rule, software developers and transmitters may begin State testing prior to obtaining final acceptance from the IRS for the Federal ATS process.

All North Carolina test returns used in e-File testing are comprised of applicable federal test data. Therefore, knowledge of Federal and North Carolina State tax laws and tax preparation is necessary. If after reviewing the Individual Income Test Case Package you identify certain federal forms or specific line items on the North Carolina return, (Forms D-400/D-400 Schedule S/D-400TC/NC 478), that your software does not support; it may be necessary to modify some of the federal data provided by North Carolina to complete your testing package for processing. If modifications are necessary due to limitations, please provide detailed calculations and explanations for your test results. **This will ensure the reviewer has all the necessary information to complete your compares accurately.** If limitations and detailed calculations are not properly identified, test results will be based on supporting all forms, schedules and test scenarios.

For limitations, developers should calculate the return data based on NCDOR's test cases and the software's limitations.

### NCDOR Test Case and Limitation Example

Form 1040 Line Items	NCDOR	Software Limitation
Wages, salaries, tips, etc.	7,937	7,937
Taxable refunds, credits, or offsets of state and local income tax	1,000	1,000
Schedule E <i>(Rental real estate, royalties, partnerships, S corps, trust, etc)</i>	1000	0
<b>Total income</b>	<b>9,937</b>	<b>8,937</b>
Student loan interest deduction	50	50
<b>Adjusted gross income</b>	<b>9,887</b>	<b>8,887</b>
Standard deduction	5,700	5,700
Exemptions	3,650	3,650
<b>Taxable Income</b>	<b>537</b>	<b>- 463</b>

If for some reason limitations are recognized after the "Response Form" has been submitted to NCDOR; please submit an updated list, along with revised detailed calculations, to the e-File Development Unit as soon as possible so that your file can be updated. If software limitations are provided after the testing start date, please allow 7 business days from the time the limitations and detailed calculations are submitted before transmitting test returns.

Once the Federal/State ATS testing season begins, software developers and transmitters can begin transmitting test returns through the Fed/State MeF program. We request that a full set of valid test returns be submitted and accepted in a single batch. **All** test returns must be received

in a single transmission in order to be considered for approval. After a successful transmission without triggering any business rules you will receive an automated comparison email for all the accepted returns. Listed below is an example of the automated email.

**Software ID:** NC\_TEST

**Submission Category:** IND

**Tax Year:** 2014

Thank you for filing MeF test returns with the North Carolina Department of Revenue.

An automated comparison has been performed, and the results are shown below. If no discrepancies were found, only basic submission information will be listed. If discrepancies were found, submission information will be listed along with the XPath and received values for the elements in question.

Please review the information below, make any necessary corrections, and resubmit as needed until **all** discrepancies have been resolved.

We request that a full set of valid test returns be submitted and accepted in a single batch. Also, please provide the **required** screenshots by email to [NCTaxefile@dornrc.com](mailto:NCTaxefile@dornrc.com).

**Submission ID: 65555820120529806643, Case ID: 1, Identity Number: 400004900** *(Example of correct return)*  
-- Successful compare --

-----  
**Submission ID: 78234420120521072545, Case ID: 2, Identity Number: 400004901** *(Example of incorrect return)*  
[D400] **Originator EFIN** [000000]  
//ReturnHeaderState/Originator/EFIN

-----  
**Submission ID: 78234420120521072542, Case ID: 3, Identity Number: 400004902** *(Example of incorrect return)*  
[TC:1] **Total Inc from all Sources from Federal Form 1040** [<element expected, but not found>]  
//ReturnDataState/FormNCD400TC/IncTaxPaidOtherDataState/TotalIncome

Please note that Developers who are seeking approval for a software product that runs on different operating systems (e.g. Windows, Mac) or that has alternative user interfaces (e.g. desktop, web, custom branding) must test **each** version of the product separately with NCDOR.

If you have any questions, please feel free to contact the E-File Development Unit at (919) 814-1500 or [NCTaxefile@dornrc.com](mailto:NCTaxefile@dornrc.com).

Thank you for your participation with North Carolina in the MeF program!

Sincerely,

North Carolina E-File Development Unit

## **Software Approval Process**

In the second step of the approval process, an email will be sent to the developer requesting the screen shots detailing the verbiage used from their software product for the following:

- **Verbiage used to prompt the user to answer the question:** “Is this refund going to or through an account that is located outside the United States?”
- **Verbiage used to prompt the user to answer the payment question:** “Is this payment(s) coming from or through an account located outside of the United States?” “If yes, an IAT payment is not allowed. In order to continue with your payment you must choose a domestic bank account.”
- **Verbiage used to prompt the user to fill out the Payment Contact information:** “Enter your complete name (first and last name), email address, and telephone number, including area code, in the appropriate fields. This information will be used in the event the North Carolina Department of Revenue needs to contact you regarding your payment. We will use the email address to acknowledge receipt of your payment. If you do not provide an email address, you will not receive confirmation that your payment has been received.”
- **Verbiage for the payment draft date:** “The payment draft date or effective date must be a valid banking date that does not include weekends or bank holidays. When entering your draft date, you will be provided with the earliest possible effective date. This date is based on a 5:30pm EST cutoff. If it is after 5:30 pm EST, the actual draft date may be a later business date. You will need to submit your payment information at least one banking day prior to the payment due date in order for the payment to be received timely. Payments received beyond the payment due date are subject to penalty and interest.

You will receive a NCDOR Confirmation email after your payment is received.

**If your payment is returned from your bank unpaid, you will be subject to a "Penalty for Bad Electronic Funds Transfer." The penalty is 10% of the payment (minimum \$1.00; maximum \$1,000.00)."**

Software developers must require taxpayers to select valid settlement dates, and display language to taxpayers stating that payments may be settled on dates later than the requested settlement date. Invalid settlement dates are weekends, past dates, the same date as the submission, and bank holidays specified on the Federal Reserve website (<http://www.frbsservices.org/holidayschedules/index.html>).

- **Verbiage on the instruction page to verify the following:** “If you owe additional tax, you can pay online by bank draft or debit/credit card using Visa or MasterCard. To pay online, go to the Department’s website at [www.dorn.com](http://www.dorn.com) and click onto Electronic Services.”

These screens shots must be submitted for software products used only by the general population and those used strictly by professionals. Software developers will be notified in writing of their e-File approval after completing the e-File testing process. The approval letter

will be emailed and the original copy faxed **only** if requested. If, after approval, your software company has production problems, the NCDOR reserves the right to disapprove the company for the remainder of the filing season.

Once you have received your approval letter, you may release your software product for e-File even if your forms have not been approved for paper filing. You will need to place a banner over the D-400, D-400 Schedule S, D-400TC, D-400V, D-410, NC-40, NC-478 and Series and NC-EDU stating the form has not been approved for paper filing. In addition, you must do all of the following:

- Software Developers are to notify the Department, customers, and clients within 10 business days when an issue has been discovered within their software. Errors must be corrected and the Department provided with satisfactory evidence that the errors have been corrected and customers/clients have been notified of the correction.

***\* Errors made by the North Carolina Department of Revenue and software developers will be placed on the Department's website for public viewing.***

- Developers are not required to provide a copy of the software or 'URL' unless requested. If requested, developers must provide a copy of the software or 'URL' within 5 business days from the date of request.

### **Forms Approval**

Each software developer must gain approval to produce paper substitute tax forms. This approval process is handled by NCDOR's Forms Development & Testing Unit. Therefore, you will need to visit the following website [www.dornrc.com/forms/generated.html](http://www.dornrc.com/forms/generated.html) for instructions regarding their testing and forms approval process.



## Chapter 8

### **NORTH CAROLINA MeF SCHEMAS**

The MeF schemas that are needed to successfully transmit North Carolina Individual Income Tax returns, payments and/or extensions are located on our website. The web address for the schemas is [http://www.dornco.com/electronic/e-file\\_taxpro.html](http://www.dornco.com/electronic/e-file_taxpro.html).

# Chapter 9

## **NORTH CAROLINA MeF BUSINESS RULES**

Rule Number	Rule Text	Error Category	Severity	Rule Status
<b>System</b>				
X0000-002	Incorrect Transmission data.	Incorrect Data	Reject	Active
X0000-003	Missing Data	Missing Data	RejectAndStop	Active
X0000-004	Data Mismatch	Data Mismatch	RejectAndStop	Active
X0000-005	The XML data has failed schema validation.	XML Error	RejectAndStop	Active
X0000-006	MeF Gateway experiences system error.	System Error	RejectAndStop	Active
X0000-007	Other State Submission.	XML Error	RejectAndStop	Active
X0000-008	The namespace declarations in the root element of the return ('Return' element) must be as follows: The default namespace shall be set	XML Error	RejectAndStop	Active
<b>D-400/D-400TC/D-410 – General</b>				
NCD400-1010	[D-400/D-410] Duplicate return. The submission's Primary SSN matches an existing accepted return's Primary SSN or Secondary SSN.	Duplicate Condition	RejectAndStop	Active
NCD400-1015	[D-400/D-410] Duplicate return. The submission's Secondary SSN matches an existing accepted return's Primary SSN or Secondary SSN.	Duplicate Condition	RejectAndStop	Active
NCD400-1018	[D-400/D-410] Duplicate SSN. The submission's Primary SSN matches the Secondary SSN.	Duplicate Condition	RejectAndStop	Active
NCD400-1020	[D-400/D-410] The software used has not been approved for e-file.	Database Validation Error	RejectAndStop	Active
NCD400-1025	[D-400] A Federal return (1040, 1040A, 1040EZ) must be provided.	Missing Data	Reject	Active
NCD400-1030	[D-400/D-410] Amended returns cannot be electronically filed.	Incorrect Data	RejectAndStop	Active
NCD400-1035	[D-400/D-410] Tax Year in return header must equal Tax Year in manifest.	Incorrect Data	RejectAndStop	Active
NCD400-1040	[D-400/D-410] Jurisdiction must be "NC".	Incorrect Data	RejectAndStop	Active
NCD400-1045	[D-400/D-410] Electronic Postmark must be valid.	Incorrect Data	Reject	Active
NCD400-1060	[D-400] If Filer State is "NC", then NC County Code must be provided; in all other cases, it must not be provided.	Incorrect Data	Reject	Active
NCD400-1070	[D-400/D-410] If a Paid Preparer was used, SSN/PTIN/STIN, Preparer Address, and Preparer Phone must be provided.	Incorrect Data	Reject	Active
NCD400-1080	[D-400] If Filing Status is Married Filing Jointly, Spouse Name and SSN must be provided; in all other cases, they must not be provided.	Incorrect Data	Reject	Active
NCD400-1090	[D-400] If Filing Status is Married Filing Jointly, Spouse Residency Status must be provided; in all other cases, it must not be provided.	Incorrect Data	Reject	Active

NCD400-1100	[D-400] If Filing Status is Married Filing Separately, Married Filing Separately Spouse Name and Married Filing Separately Spouse SSN must be provided; in all other cases, they must not be provided.	Incorrect Data	Reject	Active
NCD400-1110	[D-400] If Filing Status is Qualifying Widow(er) with Dependent Child, Year Spouse Died must be provided; in all other cases, it must not be provided.	Incorrect Data	Reject	Active
NCD400-1120	[D-400/D-410] The Primary SSN in the manifest must match the Primary Filer SSN in the return header. If applicable, the Spouse SSN in the manifest must match the Secondary Filer SSN in the return header.	Incorrect Data	Reject	Active
NCD400-1130	[D-400/D-410] Only calendar year returns are accepted (1/1/xxxx - 12/31/xxxx).	Incorrect Data	Reject	Active
<b>D-400</b>				
NCD400-2010	[D-400/D-400 Sch S] Line 7 must equal Schedule S line 4.	Incorrect Data	Reject	Active
NCD400-2020	[D-400] Line 8 must equal line 6 plus line 7.	Incorrect Data	Reject	Active
NCD400-2030	[D-400/D-400 Sch S] Line 9 must equal Schedule S line 12.	Incorrect Data	Reject	Active
NCD400-2040	[D-400] Line 10 must equal line 8 minus line 9.	Incorrect Data	Reject	Active
NCD400-2045	[D-400/D-400 Sch S] Line 11 must equal Schedule S line 19 or, if the Standard Deduction is claimed, \$7,500 if Filing Status is Single, \$15,000 if Filing Status is Married Filing Jointly, \$7,500 or \$0 if Filing Status is Married Filing Separately, or \$12,000 if Filing Status is Head of Household.	Incorrect Data	Reject	Active
NCD400-2050	[D-400] Line 12 must equal line 10 minus line 11.	Incorrect Data	Reject	Active
NCD400-2063	[D-400/D-400 Sch S] Line 13 must equal Schedule S line 22.	Incorrect Data	Reject	Active
NCD400-2066	[D-400] Line 15 must equal line 14 multiplied by 0.058 (with the result rounded to the nearest whole number), if positive; otherwise it should be zero or blank.	Incorrect Data	Reject	Active
NCD400-2070	[D-400/D-400TC] D400 line 16 must equal D-400TC line 20 (if the D-400TC is filed); if the D-400TC is not filed, D-400 line 16 must be zero or blank.	Incorrect Data	Reject	Active
NCD400-2080	[D-400] Line 17 must equal line 15 minus line 16.	Incorrect Data	Reject	Active
NCD400-2085	[D-400] If line 18 is zero, the No Consumer Use Tax declaration must be checked; if line 18 is non-zero, the No Consumer Use Tax declaration must not be checked.	Incorrect Data	Reject	Active
NCD400-2090	[D-400] Line 19 must equal line 17 plus line 18.	Incorrect Data	Reject	Active
NCD400-2100	[D-400] If Filing Status is not Married Filing Jointly, then line 20b must be zero or blank.	Incorrect Data	Reject	Active
NCD400-2120	[D-400] Line 22 must equal the sum of lines 20a through 21d.	Incorrect Data	Reject	Active
NCD400-2130	[D400] If line 19 is less than or equal to line 22, lines 23a through 23d must be zero or blank.	Incorrect Data	Reject	Active
NCD400-2140	[D400] If line 19 is greater than line 22, line 23a must equal line 19 minus line 22.	Incorrect Data	Reject	Active
NCD400-2145	[D400] Line 23d must equal the sum of lines 23b and 23c.	Incorrect Data	Reject	Active
NCD400-2150	[D400] Line 24 must equal the sum of lines 19, 23d, and 23e, minus line 22, if positive; otherwise it should be zero or blank.	Incorrect Data	Reject	Active
NCD400-2160	[D400] Line 25 must equal line 22 minus the sum of lines 19, 23d, and 23e, if positive; otherwise it should be zero or blank.	Incorrect Data	Reject	Active
NCD400-2210	[D-400] Line 29 must equal the sum of lines 26 through 28.	Incorrect Data	Reject	Active
NCD400-2220	[D-400] Line 29 must be less than or equal to line 25.	Incorrect Data	Reject	Active

NCD400-2230	[D-400] Line 30 must equal line 25 minus line 29.	Incorrect Data	Reject	Active
<b>D-400 – Schedule S</b>				
NCD400-2260	[D-400 Sch S] Schedule S line 4 must equal the sum of lines 1 through 3.	Incorrect Data	Reject	Active
NCD400-2270	[D-400 Sch S] Schedule S line 9f must equal the sum of lines 9a through 9e.	Incorrect Data	Reject	Active
NCD400-2275	[D-400 Sch S] Schedule S line 10e must equal the sum of lines 10a through 10d.	Incorrect Data	Reject	Active
NCD400-2280	[D-400 Sch S] Schedule S line 12 must equal the sum of lines 5 through 8, 9f, 10e, and 11.	Incorrect Data	Reject	Active
NCD400-2285	[D-400 Sch S] Schedule S line 15 must equal the sum of lines 13 and 14.	Incorrect Data	Reject	Active
NCD400-2288	[D-400 Sch S] Schedule S line 17 must equal the lesser of lines 15 and 16.	Incorrect Data	Reject	Active
NCD400-2292	[D-400 Sch S] Schedule S line 19 must equal the sum of lines 17 and 18.	Incorrect Data	Reject	Active
<b>D-400 – Part-Year Residents and Nonresidents</b>				
NCD400-2510	[D-400 Sch S] If taxpayer is a full-year resident, then the Schedule S Part D taxpayer nonresident indicator, part-year resident indicator ("moved into or out of North Carolina"), and part-year resident dates must be blank.	Incorrect Data	Reject	Active
NCD400-2520	[D-400 Sch S] If spouse (if Married Filing Jointly) is a full-year resident, then the Schedule S Part D spouse nonresident indicator, part-year resident indicator ("moved into or out of North Carolina"), and part-year resident dates must be blank.	Incorrect Data	Reject	Active
NCD400-2530	[D-400 Sch S] If taxpayer is not a full-year resident, then either the Schedule S Part D taxpayer nonresident indicator or the taxpayer part-year resident indicator ("moved into or out of North Carolina"), but not both, must be checked.	Incorrect Data	Reject	Active
NCD400-2540	[D-400 Sch S] If spouse (if Married Filing Jointly) is not a full-year resident, then either the Schedule S Part D spouse nonresident indicator or the spouse part-year resident indicator ("moved into or out of North Carolina"), but not both, must be checked.	Incorrect Data	Reject	Active
NCD400-2550	[D-400 Sch S] If taxpayer is a part-year resident (Schedule S Part D "moved into or out of North Carolina"), the taxpayer residency end date must be on or after the taxpayer residency begin date.	Incorrect Data	Reject	Active
NCD400-2560	[D-400 Sch S] If spouse (if Married Filing Jointly) is a part-year resident (Schedule S Part D "moved into or out of North Carolina"), the spouse residency end date must be on or after the spouse residency begin date.	Incorrect Data	Reject	Active
NCD400-2570	[D-400 Sch S] If Schedule S Part D lines 20 and 21 are both greater than zero, line 22 must equal line 20 divided by line 21 (with the result rounded to four decimal places); in all other cases, line 22 must be zero or blank.	Incorrect Data	Reject	Active
<b>D-400 – Part-Year Residents and Nonresidents – taxpayer &amp; spouse both full-year residents</b>				
NCD400-2610	[D-400] If taxpayer and spouse (if Married Filing Jointly) are full-year residents, then line 12 must equal line 14.	Incorrect Data	Reject	Active
NCD400-2620	[D-400/D-400 Sch S] If taxpayer and spouse (if Married Filing Jointly) are full-year residents, then all of lines 13 and Schedule S lines 20 through 22 must be zero or blank.	Incorrect Data	Reject	Active

<b>D-400 – Part-Year Residents and Nonresidents – taxpayer or spouse not full-year residents</b>				
NCD400-2710	[D-400/D-400 Sch S] If either taxpayer or spouse (if Married Filing Jointly) is not a full-year resident, then line 13 must equal Schedule S line 22.	Incorrect Data	Reject	Active
NCD400-2720	[D-400] If either taxpayer or spouse (if Married Filing Jointly) is not a full-year resident, then line 14 must equal line 12 multiplied by line 13 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NCD400-2740	[D-400 Sch S] If either taxpayer or spouse (if Married Filing Jointly) is not a full-year resident, then at least one of Schedule S lines 20 through 22 must be non-zero/non-blank.	Incorrect Data	Reject	Active
<b>D-400TC</b>				
NCD400-3010	[D-400TC] If lines 1 and 2 are both greater than zero, then line 3 must equal line 2 divided by line 1 (with the result rounded to four decimal places); in all other cases, line 3 must be zero or blank.	Incorrect Data	Reject	Active
NCD400-3020	[D-400TC] Line 5 must equal line 3 multiplied by line 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NCD400-3030	[D-400TC] If line 6 is greater than zero, then line 2 must be greater than zero.	Incorrect Data	Reject	Active
NCD400-3040	[D-400TC] If line 6 is greater than zero, then line 7b must equal 1.	Incorrect Data	Reject	Active
NCD400-3050	[D-400TC] If line 7b is not equal to 1, then lines 1 through 6 must be zero or blank.	Incorrect Data	Reject	Active
NCD400-3060	[D-400/D-400TC] If D-400TC line 7b is equal to 1, then D-400TC line 4 must equal D-400 line 15.	Incorrect Data	Reject	Active
NCD400-3070	[D-400TC] If line 7b is equal to 1, then line 7a must equal the lesser of line 5 and line 6.	Incorrect Data	Reject	Active
NCD400-3075	[D-400TC] If line 8 > 0, then number of dependent children for whom you were allowed a federal child tax credit must be > 0.	Incorrect Data	Reject	Active
NCD400-3120	[D-400TC] Line 9 must equal the sum of lines 7a and 8.	Incorrect Data	Reject	Active
NCD400-3140	[D-400TC] Line 16 must equal the sum of lines 9, 10, 11b, 12b, 13b, 14b, and 15.	Incorrect Data	Reject	Active
NCD400-3150	[D-400/D-400TC] D-400TC line 17 must equal D-400 line 15 (if D-400TC line 16 is > \$0).	Incorrect Data	Reject	Active
NCD400-3160	[D-400TC] Line 18 must equal the lesser of lines 16 and 17.	Incorrect Data	Reject	Active
NCD400-3165	[D-400TC] Line 19 must equal NC-478 line 45 (Income column). NC-478 line 45 (Franchise column) must be zero.	Incorrect Data	Reject	Active
NCD400-3170	[D-400TC] Line 20 must equal the sum of lines 18 and 19.	Incorrect Data	Reject	Active
NCD400-3180	[D-400/D-400TC] D-400TC line 20 must be less than or equal to D-400 line 15 (if the D-400TC is filed).	Incorrect Data	Reject	Active
<b>State 1099-G</b>				
NCD400-5010	[1099-G] Void and Corrected indicators cannot both be checked.	Incorrect Data	Reject	Active
<b>D-410 (Extension)</b>				
NCD400-6570	[D-410] Line 1 minus line 2 must equal line 3.	Incorrect Data	Reject	Active
<b>Financial (Direct Deposit/Payment/Estimate/Extension)</b>				
NCFin-1000	[Financial] Account routing number must be valid.	Incorrect Data	Reject	Active

NCFin-1010	[Financial] Payment requested settlement date must not be more than 6 months after the IRS received date (for non-estimated payments).	Incorrect Data	Reject	Active
NCFin-1020	[Financial] Estimated payment requested settlement date must not be more than 12 months after the IRS received date.	Incorrect Data	Reject	Active
NCFin-1030	[Financial] Payment requested settlement date must not be more than 2 months before the IRS received date.	Incorrect Data	Reject	Active
NCFin-1040	[Financial] Estimated payment requested settlement date must be provided.	Incorrect Data	Reject	Active
NCFin-1050	[Financial] Payment account holder type must be specified.	Incorrect Data	Reject	Active
NCFin-1060	[Financial] Payment contact name and phone number must be provided.	Incorrect Data	Reject	Active
NCFin-1070	[Financial] Payment amount must be less than or equal to \$99,999,999.99.	Incorrect Data	Reject	Active
NCFin-1080	[Financial] Every payment must have exactly one addenda record.	Incorrect Data	Reject	Active
NCFin-1090	[Financial] Every payment addenda record must have a tax type code.	Incorrect Data	Reject	Active
NCFin-1100	[Financial] Multiple non-estimated payments cannot have the same tax type code.	Incorrect Data	Reject	Active
NCFin-1110	[Financial] Invalid tax type code for return type or payment type.	Incorrect Data	Reject	Active
NCFin-1120	[Financial] Estimated payments cannot be filed for a prior tax year.	Incorrect Data	Reject	Active
NCFin-1130	[Financial] Estimated payments cannot be filed with final returns (not applicable for individual returns).	Incorrect Data	Reject	Active
<b>NC-478 series</b>				
NC478-1000	[NC-478] Line 1b (Franchise and Income) must equal NC-478J line 23.	Incorrect Data	Reject	Active
NC478-1010	[NC-478] Line 2 (Franchise and Income) must equal NC-478B line 3.	Incorrect Data	Reject	Active
NC478-1020	[NC-478] Line 4 (Franchise and Income) must equal the sum of all NC-478I line 23.	Incorrect Data	Reject	Active
NC478-1030	[NC-478] Line 5 (Franchise and Income) must equal NC-478E line 3.	Incorrect Data	Reject	Active
NC478-1040	[NC-478] Line 6 (Franchise and Income) must equal NC-478K line 20	Incorrect Data	Reject	Active
NC478-1050	[NC-478] Line 7 (Franchise and Income) must equal the sum of all NC-478G line 17.	Incorrect Data	Reject	Active
NC478-1060	[NC-478] Line 14 (Franchise and Income) must equal NC-478L line 20.	Incorrect Data	Reject	Active
NC478-1070	[NC-478] If an NC-478I is provided, line 18 (Franchise and Income) must equal the sum of all NC-478I line 24c.	Incorrect Data	Reject	Active
NC478-1080	[NC-478] If line 19 (either Franchise or Income) has a non-zero amount, at least one line 19 checkbox must be checked.	Incorrect Data	Reject	Active
NC478-1090	[NC-478] Line 20 (Franchise and Income) must equal the sum of lines 1 through 19.	Incorrect Data	Reject	Active
NC478-1100	[NC-478] Line 21 (Franchise and Income) must equal the appropriate Tax Due amounts from return.	Incorrect Data	Reject	Active
NC478-1110	[NC-478] Line 22 (Franchise and Income) must equal the appropriate Credits Not Subject to 50% Limit amounts from return.	Incorrect Data	Reject	Active

NC478-1120	[NC-478] Line 23 (Franchise and Income) must equal line 21 minus line 22, if positive; otherwise 0.	Incorrect Data	Reject	Active
NC478-1130	[NC-478] Line 24 (Franchise and Income) must equal line 23 multiplied by 0.5 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1140	[NC-478] Line 25 (Franchise and Income) must equal the lesser of lines 20 and 24.	Incorrect Data	Reject	Active
NC478-1150	[NC-478] Each of lines 26 - 44 (Franchise and Income) must be less than or equal to the corresponding amounts on lines 1 through 19.	Incorrect Data	Reject	Active
NC478-1160	[NC-478] If line 44 (either Franchise or Income) has a non-zero amount, at least one line 44 checkbox must be checked.	Incorrect Data	Reject	Active
NC478-1170	[NC-478] Line 45 (Franchise and Income) must equal the sum of lines 26 through 44.	Incorrect Data	Reject	Active
NC478-1180	[NC-478] Line 45 (Franchise and Income) must be less than or equal to line 25.	Incorrect Data	Reject	Active
NC478-1210	[NC-478B] Line 1 (one of Franchise or Income) must be less than or equal the Part 3 credit amount for 2007 divided by 7 (with the result rounded to the nearest whole number); the other amount must equal 0.	Incorrect Data	Reject	Active
NC478-1220	[NC-478B] Line 3 (Franchise and Income) must equal the sum of lines 1 through 2.	Incorrect Data	Reject	Active
NC478-1260	[NC-478E] Line 1 (one of Franchise or Income) must be less than or equal the Part 4 credit amount for 2007 divided by 7 (with the result rounded to the nearest whole number); the other amount must equal 0.	Incorrect Data	Reject	Active
NC478-1270	[NC-478E] Line 3 (Franchise and Income) must equal the sum of lines 1 through 2.	Incorrect Data	Reject	Active
NC478-1300	[NC-478G] For each NC-478G, address State must be "NC".	Incorrect Data	Reject	Active
NC478-1310	[NC-478G] For each NC-478G, at least one Renewable Energy Property Type must be selected.	Incorrect Data	Reject	Active
NC478-1320	[NC-478G] For each NC-478G, line 2 must equal line 1 multiplied by 0.35 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1330	[NC-478G] For each NC-478G, line 4 must equal the lesser of lines 2 and 3.	Incorrect Data	Reject	Active
NC478-1340	[NC-478G] For each NC-478G, line 6 must equal line 5 multiplied by 0.35 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1350	[NC-478G] For each NC-478G, line 8 must equal the lesser of lines 6 and 7.	Incorrect Data	Reject	Active
NC478-1360	[NC-478G] For each NC-478G, line 9 must equal line 8 divided by 5 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1370	[NC-478G] For each NC-478G, line 10 (one of Franchise or Income) must equal line 4; the other amount must equal 0.	Incorrect Data	Reject	Active
NC478-1390	[NC-478G] For each NC-478G, line 11 (one of Franchise or Income) must be less than or equal the Part 5 credit amount for 2014 divided by 5 (with the result rounded to the nearest whole number); the other amount must equal 0.	Incorrect Data	Reject	Active
NC478-1400	[NC-478G] For each NC-478G, line 12 (one of Franchise or Income) must be less than or equal the Part 5 credit amount for 2013 divided by 5 (with the result rounded to the nearest whole number); the other amount must equal 0.	Incorrect Data	Reject	Active

NC478-1410	[NC-478G] For each NC-478G, line 13 (one of Franchise or Income) must be less than or equal the Part 5 credit amount for 2012 divided by 5 (with the result rounded to the nearest whole number); the other amount must equal 0.	Incorrect Data	Reject	Active
NC478-1420	[NC-478G] For each NC-478G, line 14 (one of Franchise or Income) must be less than or equal the Part 5 credit amount for 2011 divided by 5 (with the result rounded to the nearest whole number); the other amount must equal 0.	Incorrect Data	Reject	Active
NC478-1430	[NC-478G] For each NC-478G, line 15 (one of Franchise or Income) must be less than or equal the Part 5 credit amount for 2010 divided by 5 (with the result rounded to the nearest whole number); the other amount must equal 0.	Incorrect Data	Reject	Active
NC478-1440	[NC-478G] For each NC-478G, line 17 (Franchise and Income) must equal the sum of lines 10 through 16.	Incorrect Data	Reject	Active
NC478-1500	[NC-478I] For each NC-478I, address State must be "NC".	Incorrect Data	Reject	Active
NC478-1510	[NC-478I] For each NC-478I, line 2 must equal line 1 multiplied by 0.35 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1520	[NC-478I] For each NC-478I, line 4 must equal line 3 multiplied by 0.2 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1530	[NC-478I] For each NC-478I, line 6 must equal line 5 multiplied by 0.0325 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1540	[NC-478I] For each NC-478I, line 8 must be less than or equal to line 7.	Incorrect Data	Reject	Active
NC478-1550	[NC-478I] For each NC-478I, line 9 must equal line 8 multiplied by 0.0325 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1560	[NC-478I] For each NC-478I, line 10 must equal line 7 minus line 8.	Incorrect Data	Reject	Active
NC478-1570	[NC-478I] For each NC-478I, line 11 must equal the sum of the following amounts: the amount of line 10 less than or equal to \$50 million multiplied by 0.0125; the amount of line 10 above \$50 million but less than or equal to \$200 million multiplied by 0.0225; the amount of line 10 above \$200 million multiplied by 0.0325. The summed result must then be rounded to the nearest whole number.	Incorrect Data	Reject	Active
NC478-1580	[NC-478I] For each NC-478I, line 21 can have at most one non-zero value in Franchise or Income.	Incorrect Data	Reject	Active
NC478-1590	[NC-478I] For each NC-478I, line 23 (Franchise and Income) must equal the sum of lines 21 and 22.	Incorrect Data	Reject	Active
NC478-1600	[NC-478J] Line 18 (the sum of Franchise and Income) must be less than or equal the Part 3 credit amount for 2013 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1610	[NC-478J] Line 19 (the sum of Franchise and Income) must be less than or equal the Part 3 credit amount for 2012 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1620	[NC-478J] Line 20 (the sum of Franchise and Income) must be less than or equal the Part 3 credit amount for 2011 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1630	[NC-478J] Line 21 (the sum of Franchise and Income) must be less than or equal the Part 3 credit amount for 2010 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active



NC478-1640	[NC-478J] Line 23 (Franchise and Income) must equal the sum of lines 18 through 22.	Incorrect Data	Reject	Active
NC478-1700	[NC-478K] Line 15 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2013 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1710	[NC-478K] Line 16 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2012 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1720	[NC-478K] Line 17 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2011 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1730	[NC-478K] Line 18 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2010 divided by 4 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1740	[NC-478K] Line 20 (Franchise and Income) must equal the sum of lines 15 through 19.	Incorrect Data	Reject	Active
NC478-1800	[NC-478L] Line 12 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2013 divided by 7 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1810	[NC-478L] Line 13 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2012 divided by 7 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1820	[NC-478L] Line 14 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2011 divided by 7 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1830	[NC-478L] Line 15 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2010 divided by 7 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1840	[NC-478L] Line 16 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2009 divided by 7 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1850	[NC-478L] Line 17 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2008 divided by 7 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1860	[NC-478L] Line 18 (the sum of Franchise and Income) must be less than or equal the Part 4 credit amount for 2007 divided by 7 (with the result rounded to the nearest whole number).	Incorrect Data	Reject	Active
NC478-1870	[NC-478L] Line 20 (Franchise and Income) must equal the sum of lines 12 through 19.	Incorrect Data	Reject	Active
NC478-1900	[NC-478 Pass-through] Part 2 must be less than or equal to the sum of NC-478 lines 26b, 31, and 39 (the sum of Franchise and Income).	Incorrect Data	Reject	Active

## Chapter 10

### **HELPFUL REMINDERS**

- ❖ Clearly define in your software how to enter and submit an unlinked return.
- ❖ Please respond in a timely manner when we make you aware of problems with your software.
- ❖ Please complete regression testing after making changes and corrections to your software packet during production.
- ❖ You must complete the Forms Testing process in order to get your software approved for paper filing.
- ❖ To assist in the ATS testing process, it may be helpful to have a person on staff that is familiar with tax law assisting the programmer.
- ❖ The software must include the Tax Rate.
- ❖ Acknowledgments should be sent to the transmitters on a timely basis.
- ❖ Do **not** allow a social security number in the spouse field if the filing status is not MFJ.
- ❖ Federal and all other attachments should not be submitted as “Secured” documents.

# PART II

# TAX PREPARERS, PRACTITIONERS AND CPAs

# Chapter 11

## **ACCEPTANCE & PARTICIPATION IN THE MeF PROGRAM**

NCDOR requires all tax professionals, EROs, Intermediate Service Providers and Transmitters to be accepted into the Federal e-File program before they can participate in the Federal/State Modernized e-File Program. Tax professional who offer electronic filing of federal and state returns must be approved by the IRS to prepare returns. Once accepted, the IRS will assign an Electronic Filing Identification Number (EFIN), which is necessary in order to participate in State e-File.

Tax professionals do not need to submit an application to NCDOR nor submit a copy of the federal acceptance letter to be accepted into the e-File program for state e-Filing purposes. Upon acceptance in the IRS e-File Program, tax professionals will be able to file both the federal return and the state return in one transmission (linked) or the state return in a separate transmission as (unlinked). Once approved, tax professionals must adhere to the requirements and specifications set forth by the IRS and North Carolina.

NCDOR will send a letter of rejection to participants, if necessary, for violating the regulations and guidelines of the e-File program. The department will have access to the Federal Applicant Database that enables the Department to reference pertinent information regarding the tax professional. The following offenses may result in a tax professional being denied participation in the program:

- **Conviction of a criminal offense under the revenue laws of the State of North Carolina or any offense involving dishonesty or breach of trust.**
- **Failure to file timely and accurate returns, both business and personal.**
- **Failure to pay business and personal tax liabilities.**
- **Suspension or rejection from the program in a prior year if corrective actions are not taken and approved by NCDOR.**
- **Other facts or conduct of a disreputable nature that would reflect adversely on the program.**
- **Unethical practices in return preparation.**
- **Noncompliance with North Carolina electronic filing rules and regulations as explained in the handbook.**

Tax professionals will need to transmit data using software that has been certified and approved by both the IRS and the NCDOR in order to e-File. It is recommended that a tax professional contract to purchase software capable of electronically filing the North Carolina return after the software developer has completed the testing process and the software has been approved by NCDOR. A list of approved software developers for the current tax year can be accessed on our website at <http://www.dornc.com/electronic/e-file.html>.

***Note: NCDOR does not promote or endorse any particular product and NCDOR's approval only means that the vendor has met the established software requirements and specifications.***

## Chapter 12

### **ACKNOWLEDGED & REJECTED RETURNS IN MeF**

The expectation for all electronic filing providers is to ensure that the electronic returns are filed in a timely manner, which should be done on or before the due date. The tax return is not considered filed until the electronic portion of the tax return has been acknowledged and accepted. The electronic portion of the return is NC Form D-400, D-400 Schedule S, D-400TC and Form D-410.

The IRS will acknowledge acceptance of the federal data and receipt of a state data packet for processing. The state data packet consists of the state return and a copy of the federal return. NCDOR will acknowledge receipt of the state data packet through the Fed/State Acknowledgment System and will then process the taxpayer's return. The filing date for North Carolina returns is the date that the IRS accepts the Fed/State submission.

If an error is discovered and can be corrected, both returns may be retransmitted. If the federal return cannot be corrected, the state return can be retransmitted separately as an "unlinked" return. Some returns are rejected based on schema validation or business rule errors and must be corrected by the ERO, transmitter or taxpayer before resubmitting. Returns with errors that are not rejected will be corrected through the normal error resolution process.

Sometimes changes may need to be made on an e-filed return that has been acknowledged by NCDOR. If the acknowledgment states that the return was "Accepted" by NCDOR, the e-filed return cannot be intercepted to make corrections. In order to correct an error on a North Carolina Individual Income Tax Return for tax year 2014, you will need to amend your income tax return by filling out Form D-400X. These forms are located on our website at [www.dornc.com/downloads/individual.html](http://www.dornc.com/downloads/individual.html).

If you need assistance in completing the forms, you can use the instruction booklet **D-401: Individual Income Tax Instructions for Form D-400** and refer to the section that is titled, "Amended Returns" or you can call our Taxpayer Assistance Division at 1-800-252-3052. If the return was "Rejected" by NCDOR, then the e-filed return must be retransmitted after corrections to the return have been made.

# Chapter 13

## WHAT'S NEW FOR TAX YEAR 2014?

### North Carolina Tax Law Changes

- **Change in tax rate.** The individual income tax rate is reduced to a flat 5.8 percent for tax years beginning on or after January 1, 2014 and to 5.75 percent for tax years beginning on or after January 1, 2015.
- **N.C. Standard Deduction.** N.C. standard deduction has increased for each filing status. No additional standard deduction is available for taxpayers age 65 or older, or blind.
- **NC Itemized Deductions.** N.C. itemized deductions are no longer identical to federal itemized deductions and are subject to certain limitations.
  - Qualified mortgage interest and real estate property taxes are allowed as deductions. The sum of those deductions cannot exceed \$20,000.
  - Charitable contributions allowed as a deduction on the federal return are allowed without limitation.
- **Deduction for Other Retirement Benefits.** There are no longer deductions available to certain taxpayers for up to \$4,000 for federal, state, or local government retirement benefits or up to \$2,000 for private retirement benefits.
- **Deduction for Net Business Income that is Not Considered Passive Income.** There is no longer a deduction available to certain taxpayers for up to \$50,000 of net business income included in federal adjusted gross income.
- **Deduction for Contributions to N.C. College Savings Program.** There is no longer a deduction for contributions made during the taxable year to an account in the Parental Savings Trust Fund of the State Education Assistance Authority (North Carolina Savings Trust Fund of the State Education Assistance
- **N.C. Personal Exemption Allowance.** You may no longer claim a personal exemption for yourself, your spouse, children, or any other qualifying dependents.
- **Credit for Children.** Amounts are increased from \$100 to \$125 per qualifying child for some taxpayers. If you are allowed a federal child tax credit under section 24 of the Code you are allowed a tax credit for each dependent child for whom a federal credit was allowed. The credit amount is based on your filing status and adjusted gross income, as calculated under the Code.
- **Child and Dependent Care Credit.** North Carolina no longer allows a tax credit for child and dependent care expenses.
- **Earned Income Tax Credit.** North Carolina no longer has a State Earned Income Tax Credit.

- **N.C. Education Endowment Fund:** Contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund.

For a complete listing of North Carolina General Statutes concerning taxation, please visit the North Carolina General Assembly website, Chapter 105, located at <http://www.ncga.state.nc.us/gascripts/Statutes/StatutesTOC.pl?Chapter=0105>.

### **Reminders**

- If the taxpayer's address, on the D-400 form, is located outside of North Carolina; leave the county code blank.

# Chapter 14

## **INCLUSIONS & EXCLUSIONS TO THE MeF SYSTEM**

For tax year 2014, North Carolina tax documents that may be filed electronically are:

### **Individual Income:**

- Form D-400
- Form D-400 Schedule S
- Form D-400TC
- NC-478, NC-478B, NC-478E, NC-478G, NC-478I thru NC-478L
- Prior year returns (2012 and 2013)
- PDF attachments for:
  - Forms not supported by MeF
  - Supporting documentation***\*\*PDF attachments must be submitted unsecured\*\****
- 1099 forms accepted through the MeF platform:
  - NC-1099-PS
  - NC-1099-ITIN
  - 1099-G
  - 1099-Misc

### **Payments:**

- D-400V Payments
- Form D-410 Extensions with and without payments
- NC-40 Estimated Payments
- NC-EDU Education Endowment Fund Contribution

The following State forms are **not** acceptable for electronic filing for the 2014 tax year:

- Form D-400X for the Amended Return.
- Corrected or amended returns on forms other than D-400X.
- Returns for non-calendar year filer.

The above form(s) should be mailed to the North Carolina Department of Revenue, PO Box 25000, Raleigh, NC 27640-0500.

**NOTE:** In addition to the above exclusions from North Carolina e-File, any income tax return in the list of exclusions from Federal e-File cannot be filed through the Federal/State MeF program.



# Chapter 15

## **BANK TRANSACTIONS**

### **Name of Financial Institution**

A financial institution for the purposes of direct deposit of tax refunds is defined as a state or national bank (including the District of Columbia and political subdivisions of the 50 states), credit union, savings and loan association or mutual savings bank within the United States and established primarily for personal, family or household purposes. This field represents the name of the bank or financial institution to which the refund will be deposited.

### **Routing Transit Number**

The routing transit number (RTN) is a valid number for the financial institution where the taxpayer's account is held. The RTN must contain nine (9) numeric characters. The RTN must be present on the Financial Organization Master File (FOMF) and the financial institution must process Electronic Funds Transfer (EFT). The RTN must be keyed as a nine-digit number containing no spaces or dashes. **Leave this field blank, no zeroes, if there is no direct deposit election.**

### **Depositor Account Number**

The depositor account number or taxpayer bank account number must be alphanumeric (i.e. only alpha characters, numeric characters, and hyphens). The depositor account number must be entered exactly as it appears on the check or proof of account, without spaces. The maximum number of allowable characters is 17 positions and cannot equal all zeroes or all blanks. **Leave this field blank, no zeroes, if there is no direct deposit election.**

### **Type of Account**

This field consists of alpha characters and is a required field, if the direct deposit election has been selected. The field indicates if the account is a checking or savings account. The values are "X" or blank. If the routing transit number is significant, then the checking account indicator or savings account indicator must equal "X." Both fields cannot equal "X."

When direct deposit information is present, the following fields **must** be provided: Routing Transit Number (RTN), Checking Account Indicator or Savings Account Indicator, and Depositor Account Number.

**NOTE:** The Department requires the Routing Transit Number, Depositor Account Number, and Type of Account screen to be entered twice to ensure accuracy.

A check will be issued if **any** of the following conditions exist:

- The refund cannot be direct deposited based upon the information provided (i.e. invalid routing number or invalid account number). This will delay the refund therefore, please verify banking information is correct before transmitting.

- Rejection by the financial institution
- Discretion of the Department of Revenue based upon a review of the tax return

Checks will be made payable to all taxpayers stated on the return and will be mailed to the address stated on the return. Therefore, it's important to verify the current mailing address with the taxpayer. If the taxpayer (client) anticipates moving before the check is received, they must call NCDOR at 1-877-252-3052 to correct the address.

### **International ACH Transaction (IAT)**

#### **What is IAT?**

IAT is the acronym for International ACH Transaction. IAT is an ACH entry that is part of a payment transaction involving a financial agency that is not located in the territorial jurisdiction of the United States. A financial agency is an institution authorized by law to accept deposits, issue money orders or transfer funds.

Effective September 18, 2009, all international transactions made via the ACH Network will be required to use the IAT SEC code. This rule applies to all ACH participants and will simplify the process of identifying international transactions by requiring that IAT entries include specific data elements defined by the [Bank Secrecy Act's \(BSA\) "Travel Rule."](#) This rule will also define parties to the IAT entry and re-define gateway operator obligations.

#### **Direct Deposits**

NCDOR does not support the passing of the IAT Indicator for direct deposit of refund; therefore, please reference the Financial Transactions schema to program your software per NCDOR specifications.

#### **Payments**

**It is the intent of the North Carolina Department of Revenue not to use the ACH system for transactions in violation of US Law, including the sanctions administered by the Office of Foreign Assets Control (OFAC). It is also the intent of the agency to be in compliance with the "International ACH Transaction (IAT) rules" that are part of the NACHA Operating Rules. Therefore, all ACH payments made through this website not associated with a foreign bank account would classify it as an "International ACH Transaction (IAT)" under the NACHA Operating Rules.**

# Chapter 16

## **REFUNDS**

### **Direct Deposit**

Direct deposit refunds are electronically transferred to a taxpayer's financial institution into a checking or savings account. A financial institution for the purposes of direct deposit of tax refunds is defined as a state or national bank, credit union, savings and loan association or mutual savings bank within the United States. Refunds may not be deposited into a credit card account.

### **Requirements for Direct Deposit**

Direct deposit is **only** available for the original individual income tax return submitted by electronic filing and is **not** available to taxpayers filing a paper return. The Federal/State cooperative e-File program does not allow Refund Anticipation Loans (RALs) on the North Carolina State refund. Refunds may not be deposited into a credit card account.

**North Carolina is not involved in or responsible for RALs. A refund anticipation loan (RAL) is money borrowed by the taxpayer from a lender based on the taxpayer's anticipated refund amount. All parties to RAL agreements, including electronic return originators (EROs), must ensure that taxpayers understand that RALs are interest-bearing loans. North Carolina is not liable for any loss suffered by taxpayers, EROs, or financial institutions due to processing delays, reduced refunds, or direct deposits not being honored (resulting in refund checks being issued).**

Direct deposit is **not** available for taxpayers requesting a direct deposit to or through a foreign financial institution. If you use a foreign financial institution you will be issued a paper check.

### **Eligibility Requirements**

- The return must be e-filed by an approved ERO or online service provider.
- The return must be for the current filing tax year or the prior two tax years.
- The taxpayer must show the ERO acceptable proof-of-account from the financial institution that the taxpayer designates. Acceptable proof-of-account is a check, a bank statement or a form generated by the financial institution. A deposit slip is **not** an acceptable proof-of-account because it may contain internal routing numbers that are not part of the account number. The proof-of-account document must contain the following preprinted information:
  - Account name and address – name and address on the account as it appears on the records at the financial institution
  - Name of financial institution
  - Account number – maximum 17 numeric characters
  - Routing Transit Number (RTN) – must be 9 numeric characters
- The account designated to receive the direct deposit must be in the taxpayer's name.
- [IRS Publication 1345](#), Handbook for Authorized IRS e-File Providers of Individual Income Tax Returns, sets forth detailed eligibility requirements, responsibilities, and

instructions governing tax preparers, transmitters, and EROs who offer taxpayers the option of direct deposit. Those same rules, policies, and procedures apply when offering direct deposit on the State return.

*Some financial institutions do not permit the deposit of a joint refund into an individual account. NCDOR is not responsible if a direct deposit is rejected for this reason. Check or share draft accounts that are “payable through” another institution may not accept direct deposits. Taxpayers should verify the financial institution’s policy on direct deposits before filing.*

Taxpayers may elect the following options for receipt or designation of their overpayment:

- Direct deposit into a bank account
- Receipt of a check
- Crediting the overpayment as an estimated tax payment for the next tax year
- Contribution to the NC Nongame and Endangered Wildlife Fund
- Contribution to the NC Education Endowment Fund

### **Acknowledgment**

The North Carolina acknowledgment process will only indicate receipt of the e-filed return. The acknowledgment system will **not** provide proof that the direct deposit election was honored.

### **Direct Deposit Responsibilities of an ERO**

- Advise taxpayers of the option to receive their refund by direct deposit and ensure that the taxpayer is knowledgeable of all the general information regarding direct deposit.
- Accept direct deposit election to any eligible financial institution designated by the taxpayer.
- Ensure that taxpayers electing direct deposit meet the eligibility requirements listed under “Eligibility Requirements.”
- Verify the direct deposit information is correct.
- Must never charge a separate fee for direct deposit.
- Inform the taxpayer that after an e-filed return has been accepted for processing and once the return is accepted by the IRS and by North Carolina:
  - the direct deposit election cannot be rescinded
  - the account number cannot be changed
  - the routing transit number cannot be changed
- Crosscheck bank account information with repeat clients. Some software maintains the previous year’s data and reuses it unless it is changed.

### **International ACH Transaction (IAT)**

#### **Non-Support of IAT Indicator Passing to NCDOR**

As a result of banking rules, NCDOR does not support direct deposits into a financial institution that is not located in the territorial jurisdiction of the United States. Therefore; if you request your refund to be directly deposited into a financial institution that is not located in the United States, your direct deposit request will not be granted. Instead, you will be issued a paper check.

### **Frequently Asked Direct Deposit Questions**

#### **Can the State refund and the federal refund be deposited into a different account?**

Yes, the State refund and the federal refund can be deposited into different accounts. A

taxpayer may elect to have the State refund direct deposited even though the federal return may be a tax due or vice versa. In addition, the federal and state refunds can be deposited into the same account (checking or savings).

**Will a notice be sent to the ERO or to the taxpayer on the status of the direct deposit?**

No, a notice will not be sent to the ERO or to the taxpayer to confirm that the refund was deposited into an account. Also, the Department cannot guarantee a specific date that a refund will be deposited. Taxpayers may check the status of their refund by calling 1-877-252-4052 or by visiting NCDOR's website and clicking on the link "[Where's My Refund?](#)"

**Can a refund be deposited into more than one account?**

No, a refund can only be deposited into one account.

**What are the benefits of direct deposit?**

Eliminates the possibility of your refund check being lost, stolen, or returned due to incorrect address. Money will be deposited in your bank account much quicker than waiting on a paper check. (Please be sure to verify your bank account information)

**Can the same bank account be used more than once?**

There are no limitations on the number of deposits that can be made to one bank account. However, the Department reserves the right to issue a check in the event of an erroneous account or routing transit number, closed accounts, bank mergers, or for any other reason at the discretion of the Department.

**Refund Inquiry**

A taxpayer may inquire about the status of an income tax refund by calling 1-877-252-4052. When inquiring about the refund, the taxpayer should be prepared to provide his or her social security number, name and address, the North Carolina acknowledgment date and indicate that the return was filed electronically. A taxpayer may also inquire about an individual income tax refund by accessing the "[Where's My Refund?](#)" feature on NCDOR's web site.

An ERO or transmitter may inquire about the receipt of an electronic return, reason for refund delay, and date refund check is issued if the ERO identifies himself/herself with their EFIN.

**Refund Delays**

Taxpayers may confirm acknowledgment of their North Carolina returns with their tax practitioner or ERO and are advised to wait six weeks from the date of acknowledgment before calling or writing NCDOR to inquire about the status of a refund check.

If a taxpayer and/or spouse owe money to the NCDOR, another State agency, or the IRS, the amount owed may be deducted from the refund. This debt **will delay** processing of the taxpayer's refund because all claims against the refund must be resolved before a refund check can be processed. The same policy applies for a paper return.

# Chapter 17

## **BALANCE DUE RETURNS**

The ERO is responsible for giving the taxpayer Form D-400V, Individual Income Payment Voucher and for instructing the taxpayer on submitting the voucher with payment on or before April 15. The taxpayer must remit payment for any tax due to the North Carolina Department of Revenue by the April 15 deadline to avoid all applicable penalties and interest.

### **E-Pay**

For Tax Year 2014, a taxpayer can pay through the federal/state MeF program by bank draft only. Taxpayers who choose this option must provide the ERO with routing numbers and account numbers for the qualified savings or checking accounts. Taxpayers must specify the bank accounts from which they wish to have the balances paid and the dates on which the debits will be made.

In lieu of mailing a check or money order to the Department, a taxpayer can also use the Department's Electronic Services to pay the tax due on an individual income tax return for the current year. Go to [www.dornnc.com](http://www.dornnc.com) and select [Electronic Services](#) to make an online payment. Payments can be made online by bank draft and credit or debit card using MasterCard or Visa. There is no fee for choosing the bank draft method. There is a convenience fee for choosing to remit by credit/debit card. The fee is calculated as \$2.00 for every \$100.00 increment of the tax payment. The fee is automatically calculated and added to the tax payment amount to obtain the total amount to be charged to the taxpayer's credit/debit card account. The taxpayer will need the following information to make an online payment or electronic funds withdrawal:

- Social security number
- Spouse's social security number (if filing a joint return)
- Address
- Email address
- Telephone number
- Amount of payment
- If making a payment by bank draft:
  - Bank account number
  - Bank routing number
  - Account type (checking or savings)
  - Date you want to make the payment
- If making a payment by credit/debit card:
  - Credit/debit card number
  - Expiration date
  - Zip code as it appears on the credit/debit card statement

The taxpayer will be prompted through a series of screens that will require the taxpayer to complete a D-400V and furnish credit/debit card or bank draft account information. The taxpayer will be provided a confirmation page that contains a confirmation number. This page should be printed and saved for record keeping.

The taxpayer will receive an email message from the Department within two business days of submitting the payment information. The email contains the confirmation number and Document Locator Number (DLN). The taxpayer should retain both numbers for future reference. If assistance is needed, the taxpayer can contact the Electronic Services Help Line Monday through Friday between the hours of 8:00 am and 5:00 pm EST at 1-877-308-9103 or (919) 754-2444.

Form D-400V should be used only for the payment of tax owed on an original North Carolina individual income tax return for the current tax year. This payment voucher should **not** be used to pay estimated tax, tax owed on prior year returns, tax billed on assessment notices, or tax due on amended returns. All of these payment options can also be accessed on [NCDOR's](#) web site under [Electronic Services for Individuals](#).

### **International ACH Transaction (IAT)**

#### **NACHA Operating Rules**

**It is the intent of the North Carolina Department of Revenue not to use the ACH system for transactions in violation of US Law, including the sanctions administered by the Office of Foreign Assets Control (OFAC). It is also the intent of the agency to be in compliance with the "International ACH Transaction (IAT) rules" that are part of the NACHA Operating Rules. Therefore, all ACH payments made through this website not associated with a foreign bank account would classify it as an "International ACH Transaction (IAT)" under the NACHA Operating Rules.**

### **Frequently Asked Balance Due Payment Questions**

#### **What Information Do I Need to Make a Payment Via Bank Draft?**

- Bank Account Number
- Bank Routing Number
- Account Type (checking or savings)
- Amount of Payment
- Date you want to make the payment

#### **What is a Debit Block and How Can it be Removed?**

Some financial institutions offer a "Debit Block" service for some banking accounts. A Debit Block is a restriction placed on a bank account to prevent unauthorized debits to the account. A debit block must be removed before an ACH Debit transaction can occur successfully. **If you are unsure if your bank account has a debit block, contact your financial institution for more information.**

For ACH Debit (Online Payments), you may also provide your bank with the North Carolina



Department of Revenue Company ID **-1561611838**. This number allows the bank to identify the NC Department of Revenue as an acceptable party to debit the account and bypass a debit block.

### **What If I Change My Mind After I Have Completed the Bank Draft Transaction?**

If you make a payment by bank draft and later decide to reverse the transaction, you will need to contact your bank to cancel the transaction. However, you may be subject to penalties, interest or other fees imposed by the Department of Revenue for nonpayment or late payment of tax.

### **How Will I Know the Department Has Received My Payment?**

After you have entered your payment information, reviewed the information you have entered and selected Submit, you will receive a confirmation page with a confirmation number to let you know that your information has been successfully submitted.

You will receive an email from the Department within two business days from submission of your payment information. The email will contain the same confirmation number that is displayed on the confirmation page that you print for your records. This email will also contain a Document Locator Number. You should retain the email for your records and you should provide these numbers if you contact the Department for assistance with the payment.

Please contact the Electronic Services Help Line at 1-877-308-9103 if you do not receive a confirmation page or if you do not receive an email acknowledgment so that an agent can assist you in determining if your transaction was successfully submitted.

### **Is My Information Safe?**

Safety measures are in place to protect your information. No one can read your tax information while it is being electronically filed. The web site and your data are secured with SSL (Secure Socket Layer) with at least 128-bit encryption.

#### **Note:**

The web browser must be configured to enable "per session cookies." In Internet Explorer, this can be set under the "Internet Options" menu option. For additional information on enabling the "per session cookies," please check the browser's documents/help. If you receive a message that 128-bit encryption is needed, you will need to download the 128-bit encryption for your browser. The 128-bit encryption is standard in the United States so the problem would normally apply to someone trying to access the application from outside the United States.

### **Who Can I Contact for Assistance?**

For additional assistance, contact the Electronic Services Help Line Monday through Friday between the hours of 8:00 am and 5:00 pm EST at 1-877-308-9103.



## Chapter 18

### **TAX FRAUD**

The Department is asking you to help identify individuals or businesses that do not file or pay state taxes (sales, income, withholding, etc.) or who file fraudulent tax returns. In addition, there have been instances of fraud identified in the Federal/State e-File Program. EROs can assist NCDOR in identifying potentially fraudulent returns before the Department receives them.

One way EROs can help is to verify the identity of taxpayers who want their returns filed electronically, especially if they are not regular clients. Request a picture ID and a second form of identification, such as a voter registration card, credit card or work pay stub. Some examples of potential fraudulent activities are:

- W-2s that are typed, handwritten, duplicated or have visible corrections
- W-2s from a company in the area that differs from other W-2s from the same company
- A suspicious-acting taxpayer or a suspicious person accompanying a taxpayer
- Multiple refunds to the same address or post office box
- Earnings, income and/or deductions that are not well documented
- Similar returns with the same amount of refund, same number of dependents and same number of W-2s

Transmitting fraudulent returns is against North Carolina Administrative Code .0118, Electronic Filing of Individual Income Tax Returns, and can cause suspension from the e-File program.

If you have any information that you wish to provide, please contact our Tax Fraud Hotline Monday through Friday between 8:00 am and 5:00 pm at 1-800-232-4939. The information that you provide and the source of the information will be kept confidential. The NCDOR appreciates your help!

# APPENDIX

## **TAX RATE SCHEDULE FOR TAX YEAR 2014**

The individual income tax rate is reduced to a flat 5.8 percent, (0.058), for tax years beginning on or after January 1, 2014. To obtain a copy of the instruction booklet please call toll-free at 1-877-252-3052 or you may visit a [service center](#) or go to our [Order Forms](#) page.

# NORTH CAROLINA COUNTY CODES

01 – Alamance	35 – Franklin	69 – Pamlico
02 – Alexander	36 – Gaston	70 – Pasquotank
03 – Alleghany	37 – Gates	71 – Pender
04 – Anson	38 – Graham	72 – Perquimans
05 – Ashe	39 – Granville	73 – Person
06 – Avery	40 – Greene	74 – Pitt
07 – Beaufort	41 – Guilford	75 – Polk
08 – Bertie	42 – Halifax	76 – Randolph
09 – Bladen	43 – Harnett	77 – Richmond
10 – Brunswick	44 – Haywood	78 – Robeson
11 – Buncombe	45 – Henderson	79 – Rockingham
12 – Burke	46 – Hertford	80 – Rowan
13 – Cabarrus	47 – Hoke	81 – Rutherford
14 – Caldwell	48 – Hyde	82 – Sampson
15 – Camden	49 – Iredell	83 – Scotland
16 – Carteret	50 – Jackson	84 – Stanly
17 – Caswell	51 – Johnston	85 – Stokes
18 – Catawba	52 – Jones	86 – Surry
19 – Chatham	53 – Lee	87 – Swain
20 – Cherokee	54 – Lenoir	88 – Transylvania
21 – Chowan	55 – Lincoln	89 – Tyrrell
22 – Clay	56 – Macon	90 – Union
23 – Cleveland	57 – Madison	91 – Vance
24 – Columbus	58 – Martin	92 – Wake
25 – Craven	59 – McDowell	93 – Warren
26 – Cumberland	60 – Mecklenburg	94 – Washington
27 – Currituck	61 – Mitchell	95 – Watauga
28 – Dare	62 – Montgomery	96 – Wayne
29 – Davidson	63 – Moore	97 – Wilkes
30 – Davie	64 – Nash	98 – Wilson
31 – Duplin	65 – New Hanover	99 – Yadkin
32 – Durham	66 – Northampton	100 – Yancey
33 – Edgecombe	67 – Onslow	
34 – Forsyth	68 – Orange	

**Note: If a North Carolina address is not used to file the North Carolina Individual Income Tax return, the county code should be left blank.**

# **NC DEPARTMENT OF REVENUE**

## **HOLIDAY SCHEDULE**

<b>2014 Holiday Schedule</b>		
<b>Holiday</b>	<b>Observance Date</b>	<b>Day of Week</b>
New Year's Day	January 1, 2014	Wednesday
Martin Luther King Jr.'s Birthday	January 20, 2014	Monday
Good Friday	April 18, 2014	Friday
Memorial Day	May 26, 2014	Monday
Independence Day	July 4, 2014	Friday
Labor Day	September 1, 2014	Monday
Veteran's Day	November 11, 2014	Tuesday
Thanksgiving	November 27 & 28, 2014	Thursday & Friday
Christmas	December 24, 25 & 26, 2014	Wednesday, Thursday, Friday

<b>2015 Holiday Schedule</b>		
<b>Holiday</b>	<b>Observance Date</b>	<b>Day of Week</b>
New Year's Day	January 1, 2015	Thursday
Martin Luther King Jr.'s Birthday	January 19, 2015	Monday
Good Friday	April 3, 2015	Friday
Memorial Day	May 25, 2015	Monday
Independence Day	July 3, 2015	Friday
Labor Day	September 7, 2015	Monday
Veteran's Day	November 11, 2015	Wednesday
Thanksgiving	November 26 & 27, 2015	Thursday & Friday
Christmas	December 23, 24 & 25, 2015	Wednesday, Thursday & Friday